

**SECRET**

DPD-6441-59

28 September 1959

The Firewal Company, Inc.  
3685 Broadway  
Buffalo, New York

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Attention

Gentlemen:

This will acknowledge receipt of your letter of 18 September 1959, regarding the method of invoicing on Contracts Nos. TM-16 and HF-CT-692.

The procedure set forth in your letter applies to fiscal year funds allocated to the contracts but not to the rates. Therefore, using your example, an order received on 15 June but not shipped until August in the following fiscal year would be billed against funds allocated to the contract for the prior fiscal year (i.e., funds in effect on 15 June). However, the rates used would be those in effect during the time that work on the order was actually being performed (i.e., the rates in effect for the period ending 30 June 1959 would be used for all work performed on the order from 15 June 1959 to 30 June 1959 and new rates would be used for all work performed on the order during July and August 1959).

As you know, new rates for the period 1 July 1959 to 30 June 1960 have not been negotiated for Contracts Nos. TM-16 and HF-CT-692. Therefore, all billings under these contracts for work performed on and after 1 July 1959 must be made at the old rates which expired, as fixed rates, on 30 June 1959, on a provisional basis. These billings will be adjusted later to the new rates (if the new rates are different than the old rates) when the new rates have been agreed to and incorporated into the contracts.

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Very truly yours,

DPD-DD, :pf

Distribution:

- 1 -
- 1 - TM-16 (corres, w/DPD-6473-59)
- 1 - HF-CT-692 (corres)
- 1 - Finance, DPD
- ✓ 1 - Chrono, DPD

Contracting Officer